

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued By:

Developer John K. Joaquin and Jessica T. Joaquin, husband and wife, Daneen Mitsumura, single,
and Pono Aukake John Roback, single

Address P.O. Box 296, Makawao, Hawaii 96768

Project Name (*): Tavares Condominium

Address: 3345, 3347, and 3349 Kii Place, Pukalani, Hawaii 96768

Registration No. 5776

Effective Date: January 22, 2007

Expiration Date: February 22, 2008

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- ☐ **PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- ☐ **FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
☒ No prior reports have been issued
☐ This report supersedes all prior public reports
☐ This report must be read together with _____
- ☒ **SUPPLEMENTARY:**
(pink) This report updates information contained in the:
☐ Preliminary Public Report dated: _____
☒ Final Public Report dated: Effective date of September 29, 2005
☐ Supplementary Public Report dated: _____
- And ☐ Supersedes all prior public reports.
☒ Must be read together with Said Report with Effective date of September 29, 2005
☒ This report reactivates the Final
public report(s) which expired on October 29, 2006

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☐ Required and attached to this report ☒ Not Required – disclosures covered in this report.

Summary of Changes from Earlier Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☐ No prior reports have been issued by the developer

☒ Changes made are as follows:

1. Jessica T. Joaquin, Daneen Mitsumura and Pono Aukake John Roback, Fee Owner and Developer of Tavares Condominium has conveyed ownership in each apartment as follows:
 - a. Apartment A: John K. Joaquin and Jessica T. Joaquin, husband and wife.
 - b. Apartment B: Daneen Mitsumura, single
 - c. Apartment C: Pono Aukake John Roback, single
2. In all other respects the Condominium remains unmodified.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: John K. Joaquin and Jessica T. Joaquin, husband and wife, Daneen Mitsumura, single, and Pono Aukake John Roback, single
Name* (Business)
C/O John and Alice Tavares
P.O. Box 296
Business Address
Makawao, Hawaii 96768

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a limited liability Partnership (LLP); or a manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: Hugh Starr & Co., Inc. Phone: (808) 572-5256
Name (Business)
3620 Baldwin Avenue, Suite 206-A
Business Address
Makawao, Hawaii 96768

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 871-2200
Name (Business)
80 Puunene Avenue
Business Address
Kahului, Hawaii 96732

General Contractor*: N/A Phone:
Name (Business)
Business Address

Condominium Managing Agent*: Self-Managed by the Association of Apartment Owners Phone:
Name (Business)
Business Address

Attorney for Developer: Thomas D. Welch Jr. Mancini, Welch & Geiger LLP Phone: (808) 871-8351
Name (Business)
33 Lono Avenue, # 470
Business Address
Kahului, Hawaii, 96732-1681

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

[X] Other: Note: The County has not approved the subdivision of the units and their limited common elements into individual subdivided lots. They are being sold as condominiums only.

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

A. Underlying Land:

Address: 3345, 3347, and 3349 Kii Place Tax Map Key (TMK): (2) 2-3-044-008: 0001, 0002, 0003
Pukalani, Hawaii 96768

[] Address [] TMK is expected to change because N/A

Land Area: 33,271 [X] square feet [] acres(s) Zoning: R-3 (Residential)*

* Under the current zoning, single-family residential use is permitted on this property.

Fee Owner: John K. Joaquin and Jessica T. Joaquin, husband
and wife, Daneen Mitsumura, single, and Pono
Aukake John Roback, single
Name

Address
P.O. Box 296, Makawao, Hawaii 96768

Lessor: N/A
Name

Address

B. Buildings and Other Improvements:

1. ☐ New Buildings
☒ Conversion of Existing Building(s)
☐ Both New Building(s) and Conversion

2. Number of Buildings: 6 (3 Apartments / 2 garages / 1 laundry bldg.) Floors Per Building: 1

☒ Exhibit A contains further explanations.

1. Principal Construction Materials:

☒ Concrete ☐ Hollow Tile ☒ Wood

☐ Other _____

2. Uses Permitted Use by Zoning:

	No. of Apts.	Use Permitted By Zoning	
<input checked="" type="checkbox"/> Residential	<u>3</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other:	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

☒ Yes ☐ No

1. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them, as described in the Declaration are:

☒ described in Exhibit A*.

☐ as follows:

*Note: Land areas referenced herein are not legally subdivided lots

2. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration are:

☐ described in Exhibit _____.

☒ as follows: Apartment A shall have a 33 1/3% undivided interest, Apartment B shall have a 33 1/3% undivided interest, and Apartment C shall have a 33 1/3% undivided interest (referred to as the "common interests") in all common elements of the Project and a said same respective share in all common profits and common expenses of the Project and for all other purposes, including voting.

Notwithstanding the allocation of common interests in the preceding paragraph, the common interests for the sole purpose of the ownership of fee simple title to the underlying land (and, therefore, for the allocation of proceeds from the sale or partition of the land upon termination of the condominium or the taking of the land by eminent domain) shall be allocated between the apartments in proportion to the relative value of the land area included within the limited common elements appurtenant to each apartment (determined as if each limited common element were a separate unimproved parcel of land), and not according to the common interests for financial and voting purposes as stated above.

- C. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated November 1, 2006 and issued by Title Guaranty of Hawaii, Inc.

1. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission
 - B) Declaration of Condominium Property Regime, as amended
 - C) Bylaws of the Association of Apartment Owners, as amended
 - D) House Rules, if any
 - E) Condominium Map, as amended
 - F) Escrow Agreement
 - G) Hawaii's Condominium Property Act (Chapter 514A HRS, as amended) and Hawaii Administrative Rules. (Chapter 16-107, adopted by the Real Estate Commission, as amended)
 - H) Other Reference is made to the encumbrances as listed on Exhibit "B" attached hereto.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5776 filed with the Real Estate Commission on August 29, 2005.

Reproduction of Report: When reproduced, this report must be on:

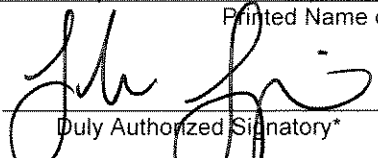

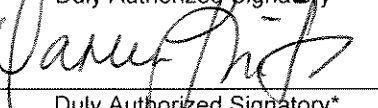
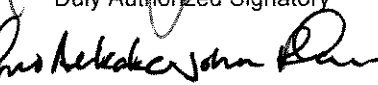
☐ YELLOW paper stock

☐ WHITE paper stock

☒ PINK paper stock

- A. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report)
- B. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

John K. Joaquin, Jessica T. Joaquin, Daneen Mitsumura and Pono Aukake John Roback
Printed Name of Developer

By: 	<u>12-17-06</u>
Duly Authorized Signatory*	Date
By: 	<u>12-17-06</u>
Duly Authorized Signatory*	Date
By: 	<u>12/17/06</u>
Duly Authorized Signatory*	Date
By: 	<u>12-17-06</u>
Duly Authorized Signatory*	Date

John K. Joaquin, Jessica T. Joaquin, Daneen Mitsumura and Pono Aukake John Roback: Co-Owners / Developer
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, _____ County of Maui

Planning Department, _____ County of Maui

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT B

Encumbrances against Title

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. DESIGNATION OF EASEMENT "C" (100 square feet)

PURPOSE : utilities
SHOWN : on Subdivision Map, revised July 18, 1974 and September 10, 1974

4. GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED and HAWAIIAN TELEPHONE COMPANY, now known as HAWAIIAN TELCOM, INC.

DATED : November 15, 1974
RECORDED : Liber 10503 Page 474
GRANTING : perpetual rights and easements to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., over Easement "C", more particularity described therein

(This easement grants Maui Electric Company, Limited and Hawaiian Telcom the right to place electrical lines and appurtenances within the easement area and creates limitations for the landowner encumbered by the easement, including but not limited to the restriction that no structures shall be built within the easement area.)*

5. The terms and provisions contained in the following:

INSTRUMENT : KII PLACE ROCK WALL AGREEMENT

DATED : August 5, 1999
RECORDED : Document No. 99-127748
PARTIES : BERNADETTE LAVAY BOTEILHO, wife of Clifford Brian Boteilho,
JOHN H. TAVARES, JR. and ALICE L. F. TAVARES, husband and wife

(This permits the encroachment of the existing rock wall, owned by the neighbor (TMK (2) 2-3-044-02), into the Common Element Driveway.)*

6. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF MUTUAL EASEMENTS FOR THE USE
OF KII PLACE

DATED : effective as of February 2, 2005
RECORDED : Document No. 2005-025365

(This instrument grants reciprocal easements to all owners of the roadway lot known as Kii Place)*

7. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "TAVARES CONDOMINIUM" CONDOMINIUM
PROJECT

DATED : July 21, 2005
RECORDED : Document No. 2005-148584
MAP : 4040 and any amendments thereto

Note: Said above referenced Declaration of Condominium Property Regime does not include Parcel Second as described in Schedule C

(Parcel Second of Schedule C is a part of the Status Report dated November 1, 2006, provided by Title Guaranty of Hawaii, Inc. which report is included with this Supplementary Public Report for review.)*

8. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : July 21, 2005
RECORDED : Document No. 2005-148585

9. -AS TO PARCEL SECOND:-

(Parcel Second is a roadway lot described in the Status Report dated November 1, 2006, provided by Title Guaranty of Hawaii, Inc., which report is included with this Supplementary Public Report for review.)*

(A) GRANT

TO : DEPARTMENT OF WATER SUPPLY, COUNTY OF MAUI

DATED : April 29, 1972
RECORDED : Liber 8292 Page 116
GRANTING : an easement for water pipeline or pipelines

(This easement grants the Department of Water Supply the right to place water lines and appurtenances within the easement area and creates limitations for the lot owner(s) encumbered by the easement, including but not limited to the restriction that no structures shall be built within the easement area.)*

(B) GRANT

TO : MAUI ELECTRIC COMPANY, LIMITED and HAWAIIAN
TELEPHONE COMPANY, now known as HAWAIIAN TELCOM,
INC.

DATED : June 14, 1972
RECORDED : Liber 8505 Page 172
GRANTING : an easement for overhead electrical transmission line

(This easement grants Maui Electric Company, Limited and Hawaiian Telcom the right to place electrical lines and appurtenances within the easement area and creates limitations for the lot owner(s) encumbered by the easement, including but not limited to the restriction that no structures shall be built within the easement area.)*

(C) GRANT

TO : TOMOHARU TANIZAKI and MISAE TANIZAKI, husband and
wife

DATED : July 12, 1977
RECORDED : Liber 13742 Page 256
GRANTING : a perpetual easement for ingress and egress purposes over roadway
lot Kii Place, as identified on Tax Map as TMK (2) 2-3-044-023, containing
an area of 21,883 square feet

(D) The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF MUTUAL EASEMENTS FOR THE USE OF
KII PLACE

DATED : February 2, 2005
RECORDED : Document No. 2005-025365

(This instrument grants reciprocal easements to all owners of the roadway lot known as Kii Place)*

- (E) Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
- (F) Rights of others who own undivided interest(s) in the land described in Schedule C.

10. -AS TO ITEM I:-

(Item I refers to Apartment A of the Tavares Condominium and its 33 1/3% undivided common interest in the Tavares Condominium, which Item I is more fully described in the Status Report dated November 1, 2006, provided by Title Guaranty of Hawaii, Inc. and included with this Supplementary Public Report for review.)*

MORTGAGE

LOAN/ACCOUNT NO. 0012411642912005

MORTGAGOR : JOHN K. JOAQUIN and JESSICA T. JOAQUIN,
husband and wife

MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.,
solely as nominee for COUNTRYWIDE HOME LOANS, INC., a
New York corporation

DATED : December 27, 2005
RECORDED : Document No. 2006-004202
AMOUNT : \$135,000.00

11. -AS TO ITEM II:-

(Item II refers to Apartment B of the Tavares Condominium and its 33 1/3% undivided common interest in the Tavares Condominium, which Item II is more fully described in the Status Report dated November 1, 2006, provided by Title Guaranty of Hawaii, Inc. and included with this Supplementary Public Report for review.)*

MORTGAGE

MORTGAGOR : DANEEN MITSUMURA, single

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : April 18, 2006
RECORDED : Document No. 2006-076558
AMOUNT : \$50,000.00

12. -AS TO ITEM III:-

(Item III refers to Apartment C of the Tavares Condominium and its 33 1/3% undivided common interest in the Tavares Condominium, which Item III is more fully described in the Status Report dated November 1, 2006, provided by Title Guaranty of Hawaii, Inc. and included with this Supplementary Public Report for review.)*

MORTGAGE

LOAN/ACCOUNT NO. 10038-8521

MORTGAGOR : PONO AUKAKE JOHN ROBACK, single

MORTGAGEE : VALLEY ISLE COMMUNITY FCU, a Federal Credit Union

DATED : December 2, 2005
RECORDED : Document No. 2005-250846
AMOUNT : \$150,000.00

*Comments in parenthesis are explanations provided by Developer's attorney to assist Buyers in understanding the disclosures in this Exhibit "B". They are not approved by the title company and will not be set forth or referred to in Buyer's title insurance policy to be issued in this purchase.

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
A	\$90.00 per month x 12 = \$1080.00 per year
B	\$90.00 per month x 12 = \$1080.00 per year
C	\$90.00 per month x 12 = \$1080.00 per year

Developer's Statement: Buyer will be obligated to commence payments of common expenses immediately after closing of Buyer's purchase.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

Estimate of Maintenance Fee Disbursements:Monthly Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

☐ common elements only☐ common elements and apartments

Elevator

Gas

☐ common elements only☐ common elements and apartments

Refuse Collection

Telephone

Water(†)

\$50.00/month x 12 months = \$600.00

Maintenance, Repairs and Supplies

Building

Grounds

Water lines

Common Element Driveway

Kii Place

Easement "A"

\$10.00/month x 12 months = \$120.00

\$10.00/month x 12 months = \$120.00

\$10.00/month x 12 months = \$120.00

\$5.00/month x 12 months = \$60.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Liability Insurance premiums

\$150.00/month x 12 months = \$1800.00

Reserves(*)

Replacement of Common Waterlines and appurtenances

\$10.00/month x 12 months = \$120.00

Replacement of Common Element Driveway

\$10.00/month x 12 months = \$120.00

Replacement of Kii Place and Easement "A"

\$5.00/month x 12 months = \$60.00

Taxes and Government Assessments

Audit Fees

\$10.00/month x 12 months = \$120.00

Other

TOTAL

\$270.00/month x 12 months = \$3240.00

I, the undersigned condominium developer for the Tavares Condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

JOHN K. JOAQUIN

(Signature)

12.17.06

Date

JESSICA T. JOAQUIN

(Signature)

12.17.06

Date

DANEEN MITSUMURA

(Signature)

12/17/06

Date

PONO AUKAKE JOHN ROBACK

(Signature)

12.17.06

Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Apartment Owners.

(†) Water use will be metered and billed based on actual amounts used by each apartment.

ATTACHMENT 1 TO ESTIMATE OF
MAINTENANCE FEE DISBURSEMENTS

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514A-83.6 and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Upon its formation, the Association should conduct a replacement reserve study for the common road and driveways within the Common Element Driveway, Easement "A" and Kii Place.